

MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
(CHFFA or AUTHORITY)
915 Capitol Mall, Room 587
Sacramento, California 95814
June 25, 2020 – 1:30 P.M.**

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, CHFFA provided Authority members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

Public Participation

Call-In Number: (877) 810-9415 and Participant Code: 6535126

OPEN SESSION

Treasurer Fiona Ma, Chair, called the meeting to order at 1:31 P.M.

The Secretary announced to the public joining in by phone the instructions for being heard. The Chair went on to mention social distancing measures being taken for the meeting.

Item #1

Roll Call

Members Present: Fiona Ma, CPA, State Treasurer
Via Microsoft Teams Meeting:
Jacqueline Wong-Hernandez for Betty T. Yee, State Controller
Gayle Miller for Keely Martin Bosler, Director, Department of Finance
Judith Frank
Jay Hansen (arrived at 1:54 P.M.)
Robert Cherry M.D.
Oscar Sablan M.D. (arrived at 1:35 P.M.)
Katrina Kalvoda
Keri Kropke

Staff Present: Frank Moore, Executive Director
Carolyn Aboubechara, Deputy Executive Director
Rosalind Brewer, Staff Services Manager I
Sondra Jacobs, Staff Services Manager I
Yuanyuan Wei, Staff Services Manager I

Chair Ma declared a quorum present.

Item #2 **Approval of the Minutes from the May 28, 2020 Meeting (Action Item)**

Chair Ma asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve the minutes from the May 28, 2020 meeting.

MOTION: Member Frank SECOND: Member Wong-Hernandez

AYES:.....Members: Kalvoda, Cherry, Kropke, Frank, Dorsey, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #3 Executive Director’s Report (Information Item)

CHFPA Comprehensive Debt List Summaries

Mr. Moore reported on the Comprehensive and Equipment Debt List Summaries.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the Tax-Exempt Bonds Delegation of Powers Resolution.

HELP II Loan Program Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the HELP II Loan Program Delegation of Powers Resolution.

Member Sablan joined the meeting at 1:35 P.M.

HELP II Loan Program Debt Service Payment Deferrals

Mr. Moore presented a Delegation of Powers report for Thessalonika Family Services (Thessalonika) regarding the execution of the First Amendment to the Loan and Security Agreement. Mr. Moore reported that Thessalonika requested a three (3) month deferral of debt service payments for both of its HELP II loans totaling \$10,358.73 for the three months of deferred repayments. Mr. Moore executed the First Amendment to the Loan and Security Agreement and the Amendment to the Promissory Note on June 17, 2020.

Contract Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the Contract Delegation of Powers Resolution.

Other Items

Mr. Moore reported that there were three new potential applicants for the COVID-19 Emergency Loan Program. The existing HELP II borrowers were also contacted to take advantage of the deferral loan process.

Mr. Moore reported that the COVID-19 Task Force would meet on July 22, 2020 with the purpose of discussing new programs that could assist borrowers dealing with the COVID-19 pandemic.

Chair Ma asked if there were any questions or public comment; there were none.

Resolution Nos. CHP-4E 2020-01 through CHP-4E 2020-11 (Action Item)

Mr. Moore explained this item contained multiple resolutions and mentioned that the Authority could vote on them all at once.

Ms. Wei presented. Ms. Wei gave an overview of the Children's Hospital Program of 2018 first funding round results. Ms. Wei stated that representatives from each hospital were available via teleconference to answer any questions Authority Members had at the end of the presentation, gave a brief summary of each project, and then recommended the Authority approve final allocations in the total amount of \$127,749,462.80 to 11 eligible hospitals.

Attendees: (via teleconference) Chris Aldworth, Vice President Planning, Pomona Valley Hospital Medical Center; Dr. John Fankhauser, Chief Executive Officer, Ventura County Medical Center; Ken Keller, President and Chief Executive Officer, Bakersfield Memorial Hospital; Donald J. Wiley, President & Chief Executive Officer, St. Joseph's Medical Center of Stockton; Dale Surowitz, Chief Executive Officer, Providence Cedars-Sinai Tarzana Medical Center; Brian Hammel, Foundation President, Northridge Hospital Medical Center; Arvind Oswal, Chief Financial Officer, Arrowhead Regional Medical Center; Ryan Gates, Vice President Rural Health Clinics, Kaweah Delta Medical Center; Patrick Caster, Chief Operating Officer, California Hospital Medical Center – Los Angeles; Ron Werft, President and Chief Executive Officer, Santa Barbara Cottage Hospital; Russell Judd, Chief Executive Officer, Kern Medical Center.

Pomona Valley Hospital Medical Center - Resolution No. CHP-4E 2020-01

Staff recommended a grant award in the amount of \$15 million to Pomona Valley Hospital Medical Center to renovate, furnish, and equip a new Inpatient Pediatric Unit to replace a seismically non-compliant Inpatient Pediatric Unit.

Ms. Wei mentioned a correction to the staff report. The last sentence in factor one should have read "In fiscal year 2019, of the 100,267 emergency room visits, 20,517 were children under the age of 18, of which 421 patients were admitted to the Pediatric Unit".

Ventura County Medical Center - Resolution No. CHP-4E 2020-02

Staff recommended a grant award in the amount of \$15 million to Ventura County Medical Center to remodel/renovate, furnish and equip a relocated and expanded Pediatric Medical Surgical Unit and to fund the eligible pediatric portion of the costs of needed infrastructure utility pipe replacements.

Bakersfield Memorial Hospital – Resolution No. CHP-4E 2020-03

Staff recommended a grant award in the amount of \$15 million to Bakersfield Memorial Hospital to construct and equip a new dedicated Pediatric Surgical Unit.

St. Joseph's Medical Center of Stockton – Resolution No. CHP-4E 2020-04

Staff recommended a grant award in the amount of \$11,904,276.00 to St. Joseph's Medical Center of Stockton to renovate, expand and equip an expanded Pediatric Unit and to purchase pediatric patient care equipment for the Neonatal Intensive Care Unit.

Providence Cedars-Sinai Tarzana Medical Center - CHP-4E 2020-05

Staff recommended a grant award in the amount of \$15 million to Providence Cedars-Sinai Tarzana Medical Center to fund the eligible pediatric portion of the cost of constructing a five-story new patient wing that will include a relocated Pediatric Unit and Pediatric Intensive Care Unit and to fund the costs of renovating and retrofitting its existing Neonatal Intensive Care Unit.

Member Frank asked if Providence St. Joseph Medical Center and Cedars-Sinai Medical Center merged and if these two hospitals would contribute funds to this project.

Mr. Surowitz confirmed that the joint venture between the two hospitals occurred last year and both hospitals were contributing significant amounts of funds to this project.

Northridge Hospital Medical Center - CHP-4E 2020-06

Staff recommended a grant award in the amount of \$1,232,535.97 to Northridge Hospital Medical Center to purchase various pediatric patient care equipment for the Pediatric Intensive Care Unit, the Neonatal Intensive Care Unit and the Pediatric Unit.

Chair Ma asked if the grant award can be rounded to the dollar.

Mr. Moore stated that the grant had to be calculated to the penny due to grant requirements.

Arrowhead Regional Medical Center - CHP-4E 2020-07

Staff recommended a grant award in the amount of \$15 million to Arrowhead Regional Medical Center to renovate, furnish, and equip an Inpatient Psychiatric Unit for adolescents.

Kaweah Delta Medical Center - CHP-4E 2020-08

Staff recommended a grant award in the amount of \$2,422,709.45 to Kaweah Delta Medical Center to fund the eligible pediatric portion of the costs of renovating an existing commercial space to establish a new rural clinic that includes family medicine services, behavioral health services and specialty services. Grant funds will also be used to purchase patient care equipment for various locations within the Hospital's system.

California Hospital Medical Center - Los Angeles - CHP-4E 2020-09

Staff recommended a grant award in the amount of \$15 million to California Hospital Medical Center - Los Angeles to fund the eligible pediatric portion of the costs of constructing and relocating the Neonatal Intensive Care Unit and the costs of renovating the Pediatric Unit as well as the costs of equipping these two hospital departments.

Santa Barbara Cottage Hospital - CHP-4E 2020-10

Staff recommended a grant award in the amount of \$12,900,000.00 to Santa Barbara Cottage Hospital to construct a new pediatric medical facility that will house multiple pediatric specialty clinics.

Kern Medical Center - CHP-4E 2020-11

Staff recommended a grant award in the amount of \$9,289,941.38 to Kern Medical Center to fund the eligible pediatric portion of the costs of constructing/renovating the Inpatient Pediatric Unit and the Columbus Pediatric Outpatient Clinic, expanding the Pediatric Emergency Room, repairing broken elevators, and purchasing patient care equipment.

Member Hansen joined the meeting at 1:54 P.M.

Members asked if staff expects more applications in the second funding round and suggested more marketing.

Mr. Moore mentioned the robust advertisement and explained potential reasons for the low participation rate.

Attendees thanked staff for being transparent and helpful throughout the process and thanked the Authority.

Chair Ma asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution Nos. CHP-4E 2020-01 through CHP-4E 2020-11 totaling \$127,749,462.80 in final allocations.

MOTION: Member Sablan SECOND: Member Kropke

AYES:.....Members: Hansen, Kalvoda, Sablan, Cherry, Kropke, Frank, Dorsey,
Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5 **University of California, Irvine Medical Center
Children’s Hospital Programs of 2004 and 2008
Amendments to Resolution Nos. CHP 2018-05 and CHP-3 2018-04 (Action Item)**

Member Cherry recused himself from Item #5 due to possible conflict of interest.

Ms. Wei presented. The University of California, Irvine Medical Center (UCI) requested the Authority approve amendments to Resolution Numbers CHP 2018-05 and CHP-3 2018-04 to amend the project descriptions, extend the project period expiration dates to December 31, 2023, and extend the resolution expiration dates to December 31, 2024.

Attendees: (via teleconference) Chad Lefteris, Chief Executive Officer, UCI Medical Center and Paul Da Veiga, Senior Project Manager, UCI Health.

Chair Ma asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve Amendments to Resolution Nos. CHP 2018-05 and CHP-3 2018-04 to amend the project descriptions, extend the project period expiration dates to December 31, 2023, and extend the resolution expiration dates to December 31, 2024.

MOTION: Member Frank SECOND: Member Hansen

AYES:.....Members: Hansen, Kalvoda, Sablan, Kropke, Frank, Dorsey,
Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....Member Cherry

MOTION APPROVED.

Item #6 **Lifeline Grant Program
Resolution Nos. LGP 2020-23 through LGP 2020-49 (Action Item)**

Ms. Brewer presented. Staff requested the approval of 27 final allocations for Planned Parenthood Mar Monte, Inc. (PPMM) totaling \$1,214,269 to cover the staffing costs for the current year due to a reduction in Title X funding.

Attendees: (via teleconference) Dominique Lee, Vice President of Patient Services, Planned Parenthood Mar Monte, Inc.

Ms. Lee thanked the Authority and gave an overview of the impact of the loss of Title X funding. Member Cherry asked why the other three facilities out of the 30 did not apply.

Ms. Lee responded that they received funding from another source.

Chair Ma reminded the Authority that after this round the monies would be returned to the HELP II Loan Program fund as of June 30, 2020.

Chair Ma asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution Nos. LGP 2020-23 through LGP 2020-49 approving a total of \$1,214,269 in final allocations.

MOTION: Member Kalvoda SECOND: Member Wong-Hernandez

AYES:.....Members: Hansen, Kalvoda, Sablan, Cherry, Kropke, Frank, Dorsey, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #7 County of Los Angeles, Department of Mental Health
Community Services Infrastructure Grant Program (Second Funding Round)
Amendment to Resolution No. CSI 2020-02 (Action Item)**

Ms. Jacobs presented. Staff requested Authority approval to amend Resolution No. CSI 2020-02 to allocate \$999,860.55 in additional funding for the County of Los Angeles, Department of Mental Health’s Community Services Infrastructure (CSI) Grant Program project. The funds became available after a CSI grant was forfeited.

Attendees: (via teleconference) Dr. Jonathan Sherin, Director of Mental Health; Jo Ann Yanagimoto-Pinedo, Deputy Director of Strategic Initiatives; and Greg Polk, Chief Deputy of Administrative Operations, County of Los Angeles, Department of Mental Health.

Mr. Sherin thanked the Authority and staff for their support on the project.

Chair Ma asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve Amendment to Resolution No. CSI 2020-02 to increase the grant award/final allocation to \$10,125,415.13. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Cherry SECOND: Member Kropke

AYES:.....Members: Hansen, Kalvoda, Sablan, Cherry, Kropke, Frank, Dorsey, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #8

County of Merced

**Investment in Mental Health Wellness Grant Program (Fifth Funding Round)
Fourth Amendment to Resolution No. MH 2016-05 (Action Item)**

Ms. Jacobs presented. The County of Merced (County) requested Authority approval of a fourth amendment to Resolution No. MH 2016-05 to amend the milestones and extend the resolution and grant period expiration dates from January 31, 2021 to April 30, 2021 due to a two-month delay in the execution of a provider contract due to COVID-19.

Attendees: (via teleconference) Sharon Mendonca, Behavioral Health Recovery Services Assistant Director and Michael Thompson, Staff Services Analyst, Merced County Department of Health Services.

Ms. Mendonca thanked the Authority and reiterated the need for the extension.

Member Sablan asked who the service provider was and about the hiring of new staff and whether any of the new hires would be from UC Merced or the local community colleges.

Ms. Mendonca stated that Central Star was the service provider and that they would be conducting the hiring for staff in the Youth CSU and conducting a job fair and would hire based on the qualifications of the candidates who apply. Ms. Mendonca also stated that Central Star has current staff who attended UC Merced and the local community colleges, so there would be a chance that the new personnel would have attended the institutions.

Chair Ma asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve Fourth Amendment to Resolution No. MH 2016-05 to amend the milestones and extend the resolution and grant period expiration dates to April 30, 2021.

MOTION: Member Sablan SECOND: Member Dorsey

AYES:.....Members: Hansen, Kalvoda, Sablan, Cherry, Kropke, Frank, Dorsey, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #9

County of Sonoma

**Investment in Mental Health Wellness Grant Program (First Funding Round)
Resolution No. MH 2014-20B (Action Item)**

Ms. Jacobs presented. Ms. Jacobs mentioned a correction to the staff report. On page 2, the fourth line under Background, was changed from 20 beds to 24 beds.

The County of Sonoma (County) requested Authority approval of Resolution No. MH 2014-20B to approve a new project description that had previously been approved under Resolution No. MH 2014-20 that awarded the County \$2 million in grant funds to expand the County’s Crisis Stabilization Unit (CSU) capacity by 18 beds for a total of 30 beds. The County requested to retain allocated grant funds while reducing the number of grant-funded beds from 18 to four for a total CSU capacity of 16 beds.

Attendees: (via teleconference) Barbie Robinson, Director and Bill Carter, Behavioral Health Division Director, Sonoma County Department of Health Services.

Ms. Robinson gave a brief description of the project, budgetary challenges and the need for a Psychiatric Health Facility (PHF).

Mr. Carter reported that a 30-bed CSU was not feasible in today's climate and explained the County's current need for a 32-bed crisis psychiatric system consisting of a 16-bed CSU and a 16-bed PHF.

Member Wong Hernandez requested more information about the feasibility of the project and how the bed count went from 18 to 4 grant-funded beds.

Authority members expressed concerns over the County keeping the amount allocated for a smaller project than originally approved.

Mr. Moore reminded the Authority that although \$500,000 was a high price per bed, other Investment in Mental Health Wellness Grant Program projects had similar amounts.

Ms. Aboubechara noted that an expansion meets program's requirements and the \$500,000 per bed price fell within the range of what had been awarded in the program. Ms. Aboubechara added that the life of the project was for a 20 year period and that this grant only paid for the infrastructure, the County paid for the operating costs. Ms. Aboubechara also requested direction from the Authority on an acceptable resolution.

Member Sablan made a motion to approve this item.

Member Cherry proposed a substitute motion to have the County come back with a more reasonable request that Authority members can support.

Member Hansen seconded the substitute motion.

Mr. Moore suggested that staff go back and talk with the County and return to the Authority with an expanded report.

Chair Ma suggested the item be tabled and staff return with a proposed plan that meets the Authority's expectations within the next two Authority meetings.

Members Sablan, Cherry, and Hansen withdrew their motions.

Chair Ma asked if there were any additional questions or public comment; there were none.

Items #10 and #11

Public Comment and Adjournment

Chair Ma asked for public comment. Hearing none, the meeting adjourned at 3:13 P.M.